

Customer Bill Impact Key Assumptions

- Calculation of Cost of AMRP for Residential Heating Customers (Data and Factors Provided by PGL in Response to AG 3.15 and 3.16):
 - Residential Heating Customer 2015 Gas Usage: 1,033 Therms
 - Average Book Depreciation Rate: 3.1%
 - Tax Depreciation: 20-year MACRS with enacted Bonus Depreciation from 2011 to 2019
 - PGL Pre-Tax Rate of Return and PV Discount Rate: 9.61%
 - 661,003 Residential Heating Customers for 2015 allocated 60% of Revenue Requirement
- Calculation of Base Rates and Gas Charge:
 - Average annual increase of 3.5% in base rates for non-AMRP cost increases after 2017
 - Annual increase of 2% in Storage Charge after 2018
 - Gas costs: 2016-2018 from PGL; 2019-2025 based on NYMEX future prices; 2026 to 2045 based on EIA forecast
 - QIP Rider factored out. Other riders as in current tariff. VBA at zero after 2016
- City and State Taxes at current rates